

GOVERNMENT NOTICES

DEPARTMENT OF MINERAL RESOURCES AND ENERGY

DETERMINATION UNDER SECTION 34(1) OF THE ELECTRICITY REGULATION ACT, 2006 (ACT NO. 4 OF 2006)

The Minister of Mineral Resources and Energy ("the Minister"), in consultation with the National Energy Regulator of South Africa ("NERSA"), acting under section 34(1) of the Electricity Regulation Act, 2006 (Act No. 4 of 2006) (as amended) (the **ERA**) and the Electricity Regulations on New Generation Capacity (published as GNR. 399 in Government Gazette No. 34262 dated 04 May 2011) ("Regulations"), has determined as follows:

1. that new generation capacity is needed to be procured to contribute towards energy security, accordingly,
 - 1.1 6800 megawatts (MW) should be procured to be generated from renewable energy sources (PV and Wind) , which represents the capacity allocated under the headings "PV" and "Wind", for the years 2022 to 2024, in Table 5 of the Integrated Resource Plan for Electricity 2019 - 2030 (published as GN 1360 of 18 October 2019 in *Government Gazette* No. 42784)("IRP 2019");
 - 1.2 513 megawatts (MW) should be procured to be generated from storage, which represents the capacity allocated under the heading "Storage", for the year 2022, in Table 5 of the Integrated Resource Plan for Electricity 2019 - 2030 (published as GN 1360 of 18 October 2019 in *Government Gazette* No. 42784)("IRP 2019");
 - 1.3 3000 megawatts (MW) should be procured to be generated from gas, which represents the capacity allocated under the heading "Gas & Diesel", for the years 2024 to 2027, in Table 5 of the Integrated Resource Plan for Electricity 2019 - 2030 (published as GN 1360 of 18 October 2019 in *Government Gazette* No. 42784)("IRP 2019");
 - 1.4 1500 megawatts (MW) should be generated from coal, which represents the

capacity allocated under the heading "Coal", for the years 2023 to 2027, in Table 5 of the Integrated Resource Plan for Electricity 2019 - 2030 (published as GN 1360 of 18 October 2019 in Government Gazette No. 42784)("IRP 2019");

2. electricity produced from the new generation capacity ("the electricity") shall be procured through one or more tendering procedures which are fair, equitable, transparent, competitive and cost-effective and shall constitute IPP procurement programmes as contemplated in the Regulations ("procurement programmes");
3. the procurement programmes shall target connection to the Grid for the new generation capacity as soon as reasonably possible in line with the timetable set out in Table 5 of the IRP 2019. Deviations from the timetable set out in Table 5 are permitted to the extent necessary taking into account all relevant factors including prevailing energy security risks, the time required for efficient procurement and the required construction timelines for such new generation capacity facility;
4. the electricity may only be sold to the entity designated as the buyer in paragraph 7 below, and only in accordance with the power purchase agreements and other project agreements to be concluded in the course of the procurement programmes;
5. the procurer in respect of the procurement programmes will be the Department of Mineral Resources and Energy;
6. the role of the procurer will be to conduct the procurement programmes, including preparing any requests for proposals and/or related and associated documentation, negotiating the power purchase agreements, facilitating the conclusion of the other projects agreements, and facilitating the satisfaction of any conditions precedent to financial close which are within its control;

7. the electricity must be purchased by Eskom Holdings SOC Limited;
8. the electricity must be purchased from independent power producers.

Concurrence to this Determination given by the National Energy Regulator of South Africa on the below mentioned date:

Signed: _____

MR JACOB MODISE
CHAIRPERSON: NERSA
DATE:

Determination made by the Minister of Mineral Resources and Energy on the below mentioned date:

Signed: _____

MR GWEDE MANTASHE, MP
MINISTER: MINERAL RESOURCES
AND ENERGY
DATE: 18/02/2020